

STATE OF CALIFORNIA

DEPARTMENT OF MANAGED HEALTH CARE

HEALTH CARE SERVICE PLAN

QUARTERLY FINANCIAL REPORTING FORM

		1
1.	FOR THE QUARTER ENDING:	March 31, 2002
2.	Name:	PacifiCare Dental
3.	File Number:(Enter last three digits) 933-0	100
4.	Date Incorporated or Organized:	1972
5.	Date Licensed as a HCSP:	1972
6.	Date Federally Qualified as a HCSP:	1972
7.	Date Commenced Operation:	1972
8.	Mailing Address:	3110 Lake Center Drive, Santa Ana, CA 92704
9.	Address of Main Administrative Office:	3110 Lake Center Drive, Santa Ana, CA 92704
10.	Telephone Number:	(714) 513-6494
11.	HCSP's ID Number:	95-2797931
12.	Principal Location of Books and Records:	3110 Lake Center Drive, Santa Ana, CA 92704
13.	Plan Contact Person and Phone Number:	Lisa Bupp (714) 513-6348
14.	Financial Reporting Contact Person and Phone Number:	Trulie Bachor (714) 513-6555
15.	President:*	Jerome Vincent Vaccaro, M.D.
16.	Secretary:*	Joseph Samuel Konowiecki
17.	Chief Financial Officer:*	Richard James Greene
18.	Other Officers:*	Claire Louise Hannan - Vice President
19.		Gregory Winfield Scott - Treasurer
20.		
21.		
22.	Directors:*	Bradford Alan Bowlus
23.		Pam Song Goetz #
24.		Jerome Vincent Vaccaro, M.D.
25.		
26.		
27.		
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32. President	Jerome Vincent Vaccaro, M.D.
33. Secretary	Joseph Samuel Konowiecki
34. Chief Financial Officer	Richard James Greene
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.	
35. Check if this is a revised filing: <input type="checkbox"/>	
36. If all dollar amounts are reported in thousands (000), check here <input type="checkbox"/>	

Check My Work.

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

QUARTERLY FINANCIAL REPORTING FORM
SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="v"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No <input type="button" value="v"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	Yes <input type="button" value="v"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="v"/>
5.	Are there any significant changes reported on Schedule G, Section III?	No <input type="button" value="v"/>
6.	If "yes", describe:	Claims aging report is included with filing.

STATEMENT AS OF 3-31-2002 OF 933-0100 PacifiCare Dental

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	14,665,676
2. Short-Term Investments	0
3. Premiums Receivable - Net	941,306
4. Interest Receivable	0
5. Shared Risk Receivables - Net	0
6. Other Health Care Receivables - Net	0
7. Prepaid Expenses	61,055
8. Secured Affiliate Receivables - Current	0
9. Unsecured Affiliate Receivables - Current	0
10. Aggregate Write-Ins for Current Assets	562,692
11. TOTAL CURRENT ASSETS (Items 1 to 10)	16,230,729
OTHER ASSETS:	
12. Restricted Assets	50,000
13. Long-Term Investments	0
14. Intangible Assets and Goodwill - Net	0
15. Secured Affiliate Receivables - Long-Term	0
16. Unsecured Affiliate Receivables - Past Due	0
17. Aggregate Write-Ins for Other Assets	408,089
18. TOTAL OTHER ASSETS (Items 12 to 17)	458,089
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	0
20. Furniture and Equipment - Net	245,784
21. Computer Equipment - Net	16,780
22. Leasehold Improvements -Net	0
23. Construction in Progress	0
24. Software Development Costs	0
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	262,564
27. TOTAL ASSETS	16,951,382
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. Deferred Tax Asset	562,692
1002.	
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	562,692
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Deferred Tax Asset - Long Term	408,089
1702.	
1703.	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	408,089
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501. None	0
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 3-31-2002 OF 933-0100 PacifiCare Dental

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	170,858	XXX	170,858
2. Capitation Payable	89,935	XXX	89,935
3. Claims Payable (Reported)	120,094	22,014	142,108
4. Incurred But Not Reported Claims	487,902	89,436	577,338
5. POS Claims Payable (Reported)	0	0	0
6. POS Incurred But Not Reported Claims	0	0	0
7. Other Medical Liability	0	0	0
8. Unearned Premiums	5,244,328	XXX	5,244,328
9. Loans and Notes Payable	0	XXX	0
10. Amounts Due To Affiliates - Current	2,098,220	XXX	2,098,220
11. Aggregate Write-Ins for Current Liabilities	1,141,692	0	1,141,692
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	9,353,029	111,450	9,464,479
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)	0	XXX	0
14. Loans and Notes Payable (Subordinated)	0	XXX	0
15. Accrued Subordinated Interest Payable	0	XXX	0
16. Amounts Due To Affiliates - Long Term	0	XXX	0
17. Aggregate Write-Ins for Other Liabilities	298,456	XXX	298,456
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	298,456	XXX	298,456
19. TOTAL LIABILITIES	9,651,485	111,450	9,762,935
NET WORTH			
20. Common Stock	XXX	XXX	2,121
21. Preferred Stock	XXX	XXX	0
22. Paid In Surplus	XXX	XXX	0
23. Contributed Capital	XXX	XXX	0
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	7,186,326
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	0
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	7,188,447
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	16,951,382
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101. Commissions	171,148	0	171,148
1102. Compensation	601,133	0	601,133
1103. Income Taxes Payable	297,978	0	297,978
1104. Deferred Income Taxes	71,433	0	71,433
1198. Summary of remaining write-ins for Item 11 from overflow page	0	0	0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	1,141,692	0	1,141,692
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701. Deferred Income Taxes - Long Term	298,456	XXX	298,456
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	298,456	XXX	298,456
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501. None	XXX	XXX	0
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	0

STATEMENT AS OF 3-31-2002 OF 933-0100 PacifiCare Dental

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	9,253,093	9,253,093
2. Capitation	0	0
3. Co-payments, COB, Subrogation	0	0
4. Title XVIII - Medicare	2,706,975	2,706,975
5. Title XIX - Medicaid	0	0
6. Fee-For-Service	0	0
7. Point-Of-Service (POS)	0	0
8. Interest	60,114	60,114
9. Risk Pool Revenue	0	0
10. Aggregate Write-Ins for Other Revenues	0	0
11. TOTAL REVENUE (Items 1 to 10)	12,020,182	12,020,182
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated	0	0
13. Inpatient Services - Per Diem	0	0
14. Inpatient Services - Fee-For-Service/Case Rate	0	0
15. Primary Professional Services - Capitated	4,190,887	4,190,887
16. Primary Professional Services - Non-Capitated	1,927,709	1,927,709
17. Other Medical Professional Services - Capitated	0	0
18. Other Medical Professional Services - Non-Capitated	164,863	164,863
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS	59,895	59,895
20. POS Out-Of-Network Expense	0	0
21. Pharmacy Expense - Capitated	0	0
22. Pharmacy Expense - Fee-for-Service	0	0
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	31,766	31,766
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	6,375,120	6,375,120
Administration		
25. Compensation	718,515	718,515
26. Interest Expense	0	0
27. Occupancy, Depreciation and Amortization	28,230	28,230
28. Management Fees	0	0
29. Marketing	645,362	645,362
30. Affiliate Administration Services	1,913,611	1,913,611
31. Aggregate Write-Ins for Other Administration	516,960	516,960
32. TOTAL ADMINISTRATION (Items 25 to 31)	3,822,678	3,822,678
33. TOTAL EXPENSES	10,197,798	10,197,798
34. INCOME (LOSS)	1,822,384	1,822,384
35. Extraordinary Item	0	0
36. Provision for Taxes	712,423	712,423
37. NET INCOME (LOSS)	1,109,961	1,109,961
NET WORTH:		
38. Net Worth Beginning of Period	10,578,487	10,578,487
39. Audit Adjustments	0	0
40. Increase (Decrease) in Common Stock	0	0
41. Increase (Decrease) in Preferred Stock	0	0
42. Increase (Decrease) in Paid in Surplus	0	0
43. Increase (Decrease) in Contributed Capital	0	0
44. Increase (Decrease) in Retained Earnings:	0	0
45. Net Income (Loss)	1,109,961	1,109,961
46. Dividends to Stockholders	-4,500,000	-4,500,000
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	-1	-1
49. NET WORTH END OF PERIOD (Items 38 to 48)	7,188,447	7,188,447

STATEMENT AS OF 3-31-2002 OF 933-0100 PacifiCare Dental

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001. None	0	0
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301. HCC - Settlements	31,766	31,766
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	31,766	31,766
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101. Rent Expense	103,739	103,739
3102. Bad Debt Expense	-43,485	-43,485
3103. Corporate Expense	209,301	209,301
3104. Other Administrative Expense	247,404	247,404
3105. Rounding	1	1
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	516,960	516,960
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701. None	0	0
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801. Rounding Difference	-1	-1
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	-1	-1

REPORT #3: STATEMENT OF CASH FLOWS (Direct Method)

1		2	3
		Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES			
1.	Group/Individual Premiums/Capitation	9,433,287	9,433,287
2.	Fee-For-Service	0	0
3.	Title XVIII - Medicare Premiums	2,245,811	2,245,811
4.	Title XIX - Medicaid Premiums	0	0
5.	Investment and Other Revenues	60,114	60,114
6.	Co-Payments, COB and Subrogation	0	0
7.	Medical and Hospital Expenses	-6,491,794	-6,491,794
8.	Administration Expenses	-4,290,661	-4,290,661
9.	Federal Income Taxes Paid	-394,718	-394,718
10.	Interest Paid	0	0
11.	NET CASH PROVIDED BY OPERATING ACTIVITIES	562,039	562,039
CASH FLOW PROVIDED BY INVESTING ACTIVITIES			
12.	Proceeds from Restricted Cash and Other Assets	0	0
13.	Proceeds from Investments	0	0
14.	Proceeds for Sales of Property, Plant and Equipment	0	0
15.	Payments for Restricted Cash and Other Assets	0	0
16.	Payments for Investments	0	0
17.	Payments for Property, Plant and Equipment	0	0
18.	NET CASH PROVIDED BY INVESTING ACTIVITIES	0	0
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:			
19.	Proceeds from Paid in Capital or Issuance of Stock	0	0
20.	Loan Proceeds from Non-Affiliates	0	0
21.	Loan Proceeds from Affiliates	0	0
22.	Principal Payments on Loans from Non-Affiliates	0	0
23.	Principal Payments on Loans from Affiliates	0	0
24.	Dividends Paid	-4,500,000	-4,500,000
25.	Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26.	NET CASH PROVIDED BY FINANCING ACTIVITIES	-4,500,000	-4,500,000
27.	NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	-3,937,961	-3,937,961
28.	CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	18,603,637	18,603,637
29.	CASH AND CASH EQUIVALENTS AT END OF PERIOD	14,665,676	14,665,676
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
30.	Net Income	1,109,961	1,109,961
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
31.	Depreciation and Amortization	28,230	28,230
32.	Decrease (Increase) in Receivables	-555,233	-555,233
33.	Decrease (Increase) in Prepaid Expenses	36,777	36,777
34.	Decrease (Increase) in Affiliate Receivables	-257,117	-257,117
35.	Increase (Decrease) in Accounts Payable	-298,788	-298,788
36.	Increase (Decrease) in Claims Payable and Shared Risk Pool	-71,609	-71,609
37.	Increase (Decrease) in Unearned Premium	274,263	274,263
38.	Aggregate Write-Ins for Adjustments to Net Income	295,555	295,555
39.	TOTAL ADJUSTMENTS (Items 31 through 38)	-547,922	-547,922
40.	NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	562,039	562,039
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES			
2501.	None	0	0
2502.			
2503.			
2598.	Summary of remaining write-ins for Item 25 from overflow page		
2599.	TOTALS (Items 2501 thru 2503 plus 2598)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME			
3801.	Income Taxes	317,705	317,705
3802.	Capitation	-45,065	-45,065
3803.	Commission	22,915	22,915
3898.	Summary of remaining write-ins for Item 38 from overflow page	0	0
3899.	TOTALS (Items 3801 thru 3803 plus 3898)	295,555	295,555

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

	1	2
	Current Period	Year-to-Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
1. Net Income (Loss)	1,109,961	1,109,961
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
2. Depreciation and Amortization		
3. Unrealized Gains/Losses on Equity Securities		
4. Gain/Loss on Sale of Assets		
5. Deferred Income Taxes		
CHANGE IN OPERATING ASSETS AND LIABILITIES		
(Increase) Decrease in Operating Assets:		
6. Receivables		
7. Prepaid Expenses		
8. Affiliate Receivables		
9. Aggregate write-ins for (increase) decrease in operating assets	0	0
Increase (Decrease) in Operating Liabilities:		
10. Trade Accounts Payable		
11. Capitation Payable		
12. Claims Payable and IBNR		
13. Other Medical Liability		
14. Unearned Premiums		
15. Affiliate Payables		
16. Aggregate write-ins for increase (decrease) in operating liabilities	0	0
17. NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	1,109,961	1,109,961
CASH FLOW FROM INVESTING ACTIVITIES		
18. Proceeds from Restricted Cash and Other Assets		
19. Proceeds from Investments		
20. Proceeds for Sales of Property, Plant, and Equipment		
21. Payments for Restricted Cash and Other Assets		
22. Payments for Investments		
23. Payments for Property, Plant, and Equipment		
24. Aggregate write-ins for cash flow provided by investing activities	0	0
25. NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	0	0
CASH FLOW FROM FINANCING ACTIVITIES		
26. Proceeds from Paid-in-Capital or Issuance of Stock		
27. Loan Proceeds from Non-Affiliates		
28. Loan Proceeds from Affiliates		
29. Principal Payments on Loans from Non-Affiliates		
30. Principal Payments on Loans from Affiliates		
31. Dividends Paid		
32. Principal Payments under lease obligations		
33. Aggregate write-ins for cash flow provided by financing activities	0	0
34. NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES	0	0
35. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,109,961	1,109,961
36. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
37. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,109,961	1,109,961

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 9 FOR (INCREASE) DECREASE IN OPERATING ASSETS		
901.		
902.		
903.		
998. Summary of remaining write-ins for Item 9 from overflow page		
999. TOTALS (Items 901 thru 903 plus 998)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 16 FOR INCREASE (DECREASE) IN OPERATING LIABILITIES		
1601.		
1602.		
1603.		
1698. Summary of remaining write-ins for Item 16 from overflow page		
1699. TOTALS (Items 1601 thru 1603 plus 1698)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 24 FOR CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Item 24 from overflow page		
2499. TOTALS (Items 2401 thru 2403 plus 2498)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 33 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
3301.		
3302.		
3303.		
3398. Summary of remaining write-ins for Item 33 from overflow page		
3399. TOTALS (Items 3301 thru 3303 plus 3398)	0	0

SCHEDULE A-1 (CASH)

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. N/A		0
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9. Total Cash on Deposit		0
10. Cash on Hand (Petty Cash)		
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		0

SCHEDULE A-2 RESTRICTED ASSETS

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. N/A		0
13.		
14.		
15.		
16.		
17.		
18.		
19. Total Restricted Assets		0

* Indicate the Balance Per the HMO's Records

SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable

	1 Name of Debtor	2 31-60 Days	3 61-90 Days	4 Over 90 Days	5 Total
1.	N/A	0	0	0	0
2.					0
3.					0
4.					0
5.					0
6.					0
7.					0
8.					0
9.					0
10.					0
11.					0
12.					0
13.					0
14.					0
15.					0
16.					0
17.					0
18.					0
19.					0
20.					0
21.					0
22.					0
23.					0
24.					0
25.					0
26.					0
27.					0
28.					0
29.					0
30.					0
31.					0
32.					0
33.					0
34.					0
35.					0
36.					0
37.					0
38.					0
39.					0
40.					0
41.					0
42.					0
43.					0
44.					0
45.					0
46.					0
47.					0
48.					0
49.					0
50.					0
51.					0
52.					0
53.					0
54.					0
55.	Total - Individual Listed Receivables	0	0	0	0

SCHEDULE D
HEALTH CARE RECEIVABLES &
AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES

Individually list all debtors with account balances greater than 10% of gross Receivables

	1 Name of Debtor	2 31-60 Days	3 61-90 Days	4 Over 90 Days	5 Total
1.	None	0	0	0	0
2.					0
3.					0
4.					0
5.					0
6.					0
7.					0
8.					0
9.					0
10.					0
11.					0
12.					0
13.					0
14.					0
15.					0
16.					0
17.					0
18.					0
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23.					0
24.					0
25.					0
26.					0
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29.					0
30.					0
31.					0
32.					0
33.					0
34.					0
35.					0
36.					0
37.					0
38.					0
39.					0
40.					0
41.					0
42.					0
43.					0
44.					0
45.					0
46.					0
47.					0
48.					0
49.					0
50.					0
51.					0
52.					0
53.					0
54.					0
55.	Total - Individual Listed Receivables	0	0	0	0

SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter on the line titled, "Aggregate Accounts Not Individually Listed-Due." Report accounts payable from the initial date of billing or due date under contract.

	1 Name of Debtor	2 31-60 Days	3 61-90 Days	4 91-120 Days	5 Over 120 Days	6 Total
1.	N/A	0	0	0	0	0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.	Total - Individual Listed Payables	0	0	0	0	0

SCHEDULE G - UNPAID CLAIMS ANALYSIS
SECTION I - CLAIMS UNPAID

	1	2	3
Type of Claim	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims	0	0	0
2. Physician Claims	120,094	487,902	607,996
3. Referral Claims	22,014	89,436	111,450
4. Other Medical	0	0	0
5. TOTAL	142,108	577,338	719,446

SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year			7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year	6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	
6. Inpatient Claims	N/A				0	
7. Physician Claims	N/A				0	
8. Referral Claims	N/A				0	
9. Other Medical	N/A				0	
10. TOTAL	0	0	0	0	0	0

SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED*

1	2	3	4	5	6	7
Month Ending	Beginning Balance Number of Claims in inventory on the 1st of each month	Add - Claims Received during the month	Deduct - Claims paid during the month	Deduct - Claims denied during the month	Add/Deduct - Adjustments	Ending Balance Number of claims in inventory at the end of the month
11. March 2002	836	4,705	4,409	387	275	1,020
13. February 2002	653	4,799	3,740	343	-533	836
14. January 2002	615	5,838	4,634	346	-820	653
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0

* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

SCHEDULE H - AGING OF ALL CLAIMS

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

	1	2	3	4	5	6
	Month Ending	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
1.						
2.	March 2002	1,020				1,020
3.	February 2002	836				836
4.	January 2002	653				653
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0

STATEMENT AS OF 3-31-2002 OF 933-0100 PacifiCare Dental

SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Liability (Based on plan's lag table)
1. March 2002	719,446	XXX	719,446	531,281
2. December 2001	791,055	639,499	151,556	111,953
3. September 2001	1,133,081	722,085	410,996	50,947
4. June 2001	1,203,479	797,187	406,292	22,993
5. March 2001	1,297,908	790,784	507,124	2,270
6. December 2000	1,461,917	838,441	623,476	0
7. September 2000	1,325,367	836,085	489,282	0
8. June 2000	1,245,479	965,957	279,522	0

* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 6.

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NOTES TO FINANCIAL STATEMENTS	
1.	Notes are submitted as a separate Word formatted document.
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	OVERFLOW PAGE FOR WRITE-INS
1.	The IBNR accrual estimates are developed from historical claims paid data using lag development tables
2.	and restated membership, using the following process:
3.	
4.	(1) Lines of business are determined by considering the state or broad market, the product (usually Comm-
5.	ercial or Secure Horizons), the network (method of reimbursing providers) and the member benefits.
6.	
7.	(2) Paid Claims are aggregated by line of business into a triangle form based on incurred and paid dates.
8.	
9.	(3) Sucessive durational 3-month, 6-month, and 12-month and middle-4 sums are used to generate lag
10.	factors.
11.	
12.	(4) Lag factors are applied to paid dollars by incurred date to get the ultimate incurred estimate by in-
13.	curring month.
14.	
15.	(5) Ultimate incurred values are divided by restated membership to get the estimated ultimate claims per
16.	member per incurred month (PMPM).
17.	
18.	(6) Because the most recent months are not statistically valid, an average of prior PMPMs is used.
19.	
20.	(7) The standard calculation for the most recent 2 incurred months PMPM values is to use the average
21.	of 6 months PMPMs throwing out the low and high values in the incurred months 3 through 10 with
22.	judgement applied as required.
23.	
24.	(8) PMPMs for the most recent 2 incurred months based on historical PMPMs are multiplied by member-
25.	ship to get the estimated ultimate incurred.
26.	
27.	(9) Ultimate incurreds are trended forward from the mid-point of the averaging period at 5% annual trend
28.	when determining the plug months PMPMs.
29.	
30.	(10) IBNR by incurred month is calculated by taking the estimated ultimate incurred for each incurred
31.	month less the paid claims to date for that incurred month. Total IBNR is the sum of the IBNR by
32.	incurred month.
33.	
34.	(11) Any other factors that may in the actuary's judgement affect the estimate of reserves may be
35.	incorporated into the models.
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STATEMENT AS OF 3-31-2002 OF 933-0100 PacifiCare Dental

KNOX-KEENE

SUPPLEMENTAL INFORMATION

PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68

	1	2	3	4	5
A.	Explanation of the method of calculating the provision for incurred and unreported claims:				
1.	See overflow page for complete description.				
B.	Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:				
	Name of Debtor	Nature of Relationship	Nature of Receivable	Amount	Terms
2.	None			0	
3.					
4.					
5.					
6.					
C.	Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:				
	Donor's Name	Affiliation with Reporting Entity	Valuation Method	Amount	
7.	None			0	
8.					
9.					
10.					
11.					
D.	Forgiven debt or obligations, as detailed below:				
	Creditor's Name	Affiliation with Reporting Entity	Summary of How Obligation Arose	Amount	
12.	None			0	
13.					
14.					
15.					
E.	Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:				
16.	Net Equity			\$	7,188,447
17.	Add: Subordinated Debt			\$	0
18.	Less: Receivables from officers, directors, and affiliates			\$	0
19.	Intangibles			\$	0
20.	Tangible Net Equity (TNE)			\$	7,188,447
21.	Required Tangible Net Equity (See Page 22)			\$	618,017
22.	TNE Excess (Deficiency)			\$	6,570,430
F.	Percentage of administrative costs to revenue obtained from subscribers and enrollees:				
23.	Revenue from subscribers and enrollees			\$	11,960,068
24.	Administrative Costs			\$	3,822,678
25.	Percentage				31.96 %
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$	616,160
27.	Total costs for health care services for the immediately preceding six months:			\$	12,541,940
28.	Percentage				4.91 %

		1
G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:		
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:	\$	N/A
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:	\$	N/A
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:	\$	N/A
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:	\$	N/A
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34. Cash & cash equivalents maintained	\$	N/A
35. Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$	N/A
36. Cash & cash equivalents reported to be maintained (120% x Line 34)	\$	N/A
37. Deposit required (100% of Line 36)	\$	N/A
38. Excess (deficient) reserves (Line 34 - Line 37)	\$	N/A
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts	\$	N/A
40. Total premium revenue earned	\$	N/A
41. Percentage		N/A %
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees	\$	N/A
43. Total health care expenditures	\$	N/A
44. Percentage		N/A %
45. Point-of-Service Enrollment at end of period		N/A
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		N/A
47. Non-Physician		N/A
48. Total		N/A
49. Total Patient Days Incurred for Point-of-Service enrollees		N/A
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		N/A
51. Average Length of Stay for Point of Service enrollees		N/A
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:	\$	N/A
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts	\$	N/A
55. Total	\$	N/A
56. Total times 120%	\$	N/A
57. Deposit (Greater of Line 4 or minimum of \$200,000)	\$	N/A

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REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:
TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

	Full Service Plans		Specialized Plans	
		1		2
A.	Minimum TNE Requirement	\$ 1,000,000	Minimum TNE Requirement	\$ 50,000
B.	REVENUES:			
1.	2% of the first \$150 million of annualized premium revenues	\$	2% of the first \$7.5 million of annualized premium revenue	\$ 150,000
	Plus		Plus	
2.	1% of annualized premium revenues in excess of \$150 million	\$	1% of annualized premium revenue in excess of \$7.5 million	\$ 403,403
3.	Total	\$	Total	\$ 553,403
C.	HEALTHCARE EXPENDITURES:			
4.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$	8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 600,000
	Plus		Plus	
5.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$	4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$ 18,017
	Plus		Plus	
6.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$ 0
7.	Total	\$	Total	\$ 618,017
8.	Required "TNE" - Greater of "A" "B" or "C"	\$	Required "TNE" - Greater of "A" "B" or "C"	\$ 618,017

KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64

POINT OF SERVICE "ADJUSTED" TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

		1
1. Net Equity	\$	
2. Add: Subordinated Debt	\$	
3. Less: Receivables from officers, directors, and affiliates	\$	
4. Intangibles	\$	
5. Tangible Net Equity (TNE)	\$	
6. Required Tangible Net Equity (From Line 18 below)	\$	
7. TNE Excess (Deficiency)	\$	
ADJUSTED REQUIRED MINIMUM TANGIBLE NET EQUITY CALCULATION:		
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	
10. Add lines 8 and 9	\$	
11. Multiply line 10 by 130% ADJUSTED REQUIRED MINIMUM TNE	\$	
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):		
PART A		
12. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	
13. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	
14. Add lines 12 and 13	\$	
15. Multiply line 14 by 130%	\$	
PART B		
16. Unadjusted minimum TNE as calculated under Rule 1300.76 (a)(3)	\$	
17. Multiply line 16 by 130%	\$	
18. Greater of Part II, Lines 15 or 17 ADJUSTED REQUIRED MINIMUM TNE (To Line 6 above)	\$	

STATEMENT AS OF 3-31-2002 OF 933-0100 PacifiCare Dental

WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text"/>
4. Result	<input type="text"/>	<input type="text"/>
5. Annualized	<input type="text"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text"/>	\$ <input type="text"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text"/>	\$ <input type="text"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text"/>	\$ <input type="text"/>
13. Total	\$ <input type="text"/>	\$ <input type="text"/>